

Message Text

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PAGE 01 STATE 015638
ORIGIN EB-08

INFO OCT-01 IO-13 ISO-00 ARA-06 FEA-01 SSO-00 NSCE-00
USIE-00 INRE-00 AGRE-00 CEA-01 CIAE-00 COME-00 DODE-00
FRB-03 H-01 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05
PA-01 AID-05 CIEP-01 SS-15 STR-04 ITC-01 TRSE-00
PRS-01 SP-02 OMB-01 /089 R

DRAFTED BY EB/OT/GCP:RLANDERS:JVM
APPROVED BY EB/OT/GCP:SAHMAD
ARA/ECP:ACOOLEY (PHONE)
STR:BSTEINBOCK (PHONE)
LABOR:DWANNAMAKER (PHONE)
AGRICULTURE:JTRURAN (PHONE)
TREASURY :EBARBER (PHONE)
STR-WKELLY

-----250009Z 028939 /72-61

O 242227Z JAN 77
FM SECSTATE WASHDC
TO USMISSION GENEVA IMMEDIATE

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E.O. 11652:N/A

TAGS: GATT, ETRD, XL

SUBJECT: INSTRUCTIONS FOR GATT WORKING PARTY ON CARICOM

REF: TPSC DRAFT DOCUMENT 77-06

1. THE TRADE POLICY STAFF COMMITTEE (TPSC) HAS APPROVED
REF DOC, COPY OF WHICH WAS HANDCARRIED TO GENEVA BY
HARTZELL OF MTN DEL, WITH MINOR CHANGES IN RECOMMENDATIONS
SECTION. FINAL, CLEARED "PROBLEM" AND "RECOMMENDATIONS"
SECTIONS, ARE TRANSMITTED BELOW:

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CARICOM

PROBLEM

THE WORKING PARTY WILL MEET IN GENEVA JANUARY 25-26
TO EXAMINE THE TREATY ESTABLISHING THE CARIBBEAN COMMUNITY

AND COMMON MARKET (CARICOM) IN THE LIGHT OF THE RELEVANT PROVISIONS OF THE GATT. THE WORKING PARTY WILL BE CALLED UPON TO DRAFT A REPORT TO THE GATT COUNCIL.

RECOMMENDATIONS

1. THE CARICOM BUILDS DIRECTLY ON ITS PREDECESSOR AGREEMENT, THE CARIBBEAN FREE TRADE AGREEMENT (CARIFTA), ESSENTIALLY ADDING ONLY A COMMITMENT TO A COMMON EXTERNAL TARIFF (CXT) TO BE IMPLEMENTED BY 1981. IT THUS INHERITS VIRTUALLY ALL THE STRENGTHS AND WEAKNESSES OF THE CARIFTA AND THE U.S. POSITION ON THE CARICOM SHOULD PARALLEL THE POSITION SET FORTH IN TSC DOCUMENT 71-93 DATED SEPTEMBER 16, 1971.

2. THE U.S. REPRESENTATIVE MAY WELCOME THE DECISION OF THE CARIBBEAN COUNTRIES TO PROMOTE THEIR ECONOMIC DEVELOPMENT THROUGH REGIONAL INTEGRATION.

3. THE U.S. REPRESENTATIVE MAY ASK ANY FURTHER QUESTIONS DESIGNED TO CLARIFY THE CARICOM AGREEMENT AND ITS OPERATION INCLUDING THE FOLLOWING:

A. HOW DO THE MEMBER STATES PROPOSE TO RECONCILE SCHEDULE VIII WITH THEIR GATT OBLIGATIONS?

4. THE U.S. REPRESENTATIVE SHOULD NOTE U.S. CONCERN THAT THE REGIONAL QUANTITATIVE RESTRICTIONS CONTEMPLATED IN ARTICLE XXXIII OF THE AGREEMENT APPEAR LIMITED OFFICIAL USE

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TO BE IN VIOLATION OF GATT ARTICLE XXIV:5(A) AND EXPRESS THE U.S. BELIEF THAT CARICOM'S OBJECTIVES OF INCREASED OUTPUT AND SELF-SUFFICIENCY CAN BE ACHIEVED BY THE USE OF POSITIVE DEVELOPMENT MEASURES WHICH WOULD NOT VIOLATE GATT COMMITMENTS.

5. THE U.S. REPRESENTATIVE SHOULD ATTEMPT TO OBTAIN THE AGREEMENT OF THE WORKING PARTY ON A DRAFT CONCLUSION OF THE CONTRACTING PARTIES WHICH WOULD RECOMMEND TO THE MEMBER OF CARICOM THE MODIFICATION OF SCHEDULE VIII SO AS TO MAKE IT CONSISTENT WITH ARTICLE XXIV:5(A) OF THE GATT. WE BELIEVE THAT THE SCHEDULE VIII OBJECTIVE OF INCREASED OUTPUT AND SELF-SUFFICIENCY IN CERTAIN AGRICULTURAL PRODUCTS CAN BE ACHIEVED WITHOUT DISCRIMINATING AGAINST OUTSIDE SUPPLIERS.

6. IF THE ABOVE AGREEMENT CANNOT BE OBTAINED, THE U.S. REPRESENTATIVE MAY JOIN IN APPROVING A WORKING PARTY REPORT SIMILAR TO THE REPORT PREVIOUSLY MADE ON THE LATIN

AMERICAN FREE TRADE ASSOCIATION TO THE EFFECT THAT THE
COMPATIBILITY OF CARICOM WITH THE GATT CANNOT BE
ESTABLISHED AT THIS TIME AND PROVIDING FOR REGULAR
REPORTING TO GATT ON DEVELOPMENT UNDER CARICOM.

7. IF NEITHER OF THE AGREEMENTS IN POINTS 5 OR 6 ABOVE
CAN BE OBTAINED, THE U.S. REPRESENTATIVE SHOULD STATE FOR
THE RECORD THE U.S. POSITION THAT THE CARICOM AGREEMENT
AS PRESENTED DOES NOT APPEAR TO SATISFY THE CONDITIONS

OF ARTICLE XXIV. HOWEVER THE U.S. REPRESENTATIVE SHOULD
NOT BLOCK A CONSENSUS FOR REPORTING CONCLUSIONS SIMILAR
TO THOSE REACHED BY THE CARIFTA WORKING PARTY (L/3584).

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INFO OCT-01 ARA-06 ISO-00 /015 R

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DRAFTED BY:EB/OT/GCP:RLANDERS
APPROVED BY:EB/OT/GCP:SAHMAD
ARA/ECP:ACOO LY

-----110319Z 128560 /62

R 181455Z FEB 77
FM SECSTATE WASHDC
TO AMEMBASSY PORT OF SPAIN

LIMITED OFFICIAL USE STATE 015638

FOLLOWING REPEAT STATE 015638 SENT ACTION USMISSION GENEVA
24 JAN:

QUOTE: LIMITED OFFICIAL USE STATE 015638

E.O. 11652:N/A

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, AGREEMENT DRAFT, TRADE AGREEMENTS
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: RLANDERS:JVM
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
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Handling Restrictions: n/a
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Office: ORIGIN EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
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Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3518221
Secure: OPEN
Status: NATIVE
Subject: INSTRUCTIONS FOR GATT WORKING PARTY ON CARICOM
TAGS: ETRD, XL, US, GATT
To: GENEVA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/640e2bd2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009